

BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

(C-570-076)

Certain Plastic Decorative Ribbon from the People's Republic of China: Final Affirmative  
Countervailing Duty Determination

AGENCY: Enforcement and Compliance, International Trade Administration, Department of  
Commerce

SUMMARY: The Department of Commerce (Commerce) determines that producers and  
exporters of certain plastic decorative ribbon from the People's Republic of China (China)  
received countervailable subsidies for the period of investigation (POI) January 1, 2016, through  
December 31, 2016.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Charlotte Baskin-Gerwitz or Mark Hoadley,  
AD/CVD Operations, Office VII, Enforcement and Compliance, International Trade  
Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington,  
DC 20230; telephone (202) 482-4880 or (202) 482-3148, respectively.

SUPPLEMENTARY INFORMATION:

Background

Commerce published the *Preliminary Determination* of this investigation in the Federal  
Register on June 22, 2018.<sup>1</sup> Subsequently, Commerce postponed the deadline for the final

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<sup>1</sup> See *Certain Plastic Decorative Ribbon from the People's Republic of China: Preliminary Affirmative  
Countervailing Duty Determination and Alignment of Final Determination with Determination with Final  
Antidumping Duty Determination*, 83 FR 29096 (June 22, 2018) (*Preliminary Determination*).

determination to December 21, 2018.<sup>2</sup> A summary of the events that occurred since Commerce published the *Preliminary Determination*, as well as a full discussion of the issues raised by parties for this final determination, may be found in the Issues and Decision Memorandum.<sup>3</sup> A list of topics included in the Issues and Decision Memorandum is included as Appendix II to this notice.

The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov>, and is available to all parties in the Central Records Unit, Room B8024 of the main Department of Commerce building. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>. The signed Issues and Decision Memorandum and the electronic version are identical in content.

#### Period of Investigation

The period of investigation is January 1, 2016, through December 31, 2016.

#### Scope of the Investigation

The merchandise covered by this investigation is certain plastic decorative ribbon from China. For a complete description of the scope of this investigation, *see* Appendix I.

#### Scope Comments

We invited parties to comment on Commerce's Scope Comments Preliminary Decision

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<sup>2</sup> See *Certain Plastic Decorative Ribbon from the People's Republic of China: Postponement of Final Determination of Sales at Less Than Fair Value*, 83 FR 40226 (August 14, 2018).

<sup>3</sup> See Memorandum, "Issues and Decision Memorandum for the Final Determination in the Countervailing Duty Investigation of Certain Plastic Ribbon from the People's Republic of China," dated concurrently with this determination and hereby adopted by this notice (Issues and Decision Memorandum).

Memorandum.<sup>4</sup> Commerce has reviewed the briefs submitted by interested parties, considered the arguments therein, and has made changes to the scope of the investigation, including additional exclusions and clarifying language. For a summary of the scope comments and rebuttal responses submitted to the record for this final determination, along with the accompanying discussion and analysis of all comments timely received, *see* the Issues and Decision Memorandum.

### Verification

In June 2018, Commerce conducted verifications of the questionnaire responses submitted by mandatory respondents Seng San Enterprises Co., Ltd. and its affiliated producer Xin Seng San Handicraft (ShenZhen) Co., Ltd. (collectively, Seng San), and Joynice Gifts and Crafts Co., Ltd. (Joynice) in accordance with section 782(i) of the Act. We issued verification reports for Seng San and Joynice on July 18, 2018.<sup>5</sup> We used standard verification procedures, including an examination of relevant accounting and financial records, and original source documents provided by Seng San and Joynice.

### Analysis of Subsidy Programs and Comments Received

The issues raised in the case and rebuttal briefs that were submitted by interested parties are discussed in the Issues and Decision Memorandum. A list of the issues that parties raised, and to which we responded in the Issues and Decision Memorandum, is attached to this notice at Appendix II.

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<sup>4</sup> *See* Memorandum, “Certain Plastic Decorative Ribbon from the People’s Republic of China: Scope Comments Preliminary Decision Memorandum” (Preliminary Scope Decision Memorandum), dated July 30, 2018.

<sup>5</sup> *See* Memorandum, “Verification of the Questionnaire Responses of Seng San Enterprises Co., Ltd. in the Countervailing Duty Investigation of Certain Plastic Decorative Ribbon from the People’s Republic of China,” dated July 18, 2018; and Memorandum, “Verification of the Questionnaire Responses of Joynice Gifts and Crafts Co., Ltd. in the Countervailing Duty Investigation of Certain Plastic Decorative Ribbon from the People’s Republic of China,” dated July 18, 2018.

### Use of Adverse Facts Available (AFA)

Commerce relied on “facts otherwise available,” including AFA, for several findings in the *Preliminary Determination*. For the final determination, we are basing the countervailing duty (CVD) rates for Santa’s Collection Shaoxing Co., Ltd. (Santa’s Collection), Seng San, and Joynice on facts otherwise available, pursuant to sections 776(a)(2)(A)-(C) and 776(b) of the Act. For a full discussion of AFA, *see* the Issues and Decision Memorandum.

### Changes Since the Preliminary Determination

Based on our analysis of the comments received from parties and the minor corrections presented, we made certain changes to the respondents’ subsidy rate calculations set forth in the *Preliminary Determination*. For a discussion of these changes, *see* the Issues and Decision Memorandum.<sup>6</sup>

### All-Others Rate

In accordance with section 705(c)(1)(B)(i)(I) of the Act, Commerce calculated a countervailable subsidy rate for the individually investigated exporters/producers of the subject merchandise. Consistent with sections 705(c)(1)(B)(i)(I) and 705(c)(5)(A) of the Act, Commerce also calculated an estimated “all-others” rate for exporters and producers not individually investigated. Section 705(c)(5)(A)(i) of the Act provides that the “all-others” rate shall be an amount equal to the weighted-average of the countervailable subsidy rates established for individually investigated exporters and producers, excluding any rates that are zero or *de minimis* or any rates determined entirely under section 776 of the Act. In this investigation, Commerce calculated individual estimated countervailable subsidy rates for Seng San and Joynice that are not zero, *de minimis*, or based entirely on facts otherwise available.

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<sup>6</sup> *See* Issues and Decision Memorandum.

Because we do not have publicly ranged data from all company respondents with which to calculate the all-others rate using a weighted-average of the individual estimated subsidy rates, we calculated the all-others rate using a simple average of the individual estimated subsidy rates calculated for the examined respondents.

#### Final Determination

In accordance with section 705(c)(1)(B)(i)(I) of the Act, we established individual estimated countervailable subsidy rates for Seng San Enterprises Co., Ltd., and their cross-owned entities, Joynice Gifts & Crafts Co., Ltd, and Santa's Collection Shaoxing Co., Ltd.

<b>Company</b>	<b>Subsidy Rate</b>
Seng San Enterprises Co., Ltd.	18.03 percent
Joynice Gifts & Crafts Co., Ltd.	14.27 percent
Santa's Collection Shaoxing Co., Ltd.	94.67 percent
All-Others	16.15 percent

#### Disclosure

We intend to disclose to parties in this proceeding the calculations performed for this final determination within five days of the date of public announcement of our final determination, in accordance with 19 CFR 351.224(b).

#### Continuation of Suspension of Liquidation

As a result of our *Preliminary Determination*, and pursuant to sections 703(d)(1)(B) and (2) of the Act, we instructed U.S. Customs and Border Protection (CBP) to suspend liquidation of all entries of merchandise under consideration from the PRC that were entered or withdrawn from warehouse, for consumption, on or after June 22, 2018, the date of publication of the *Preliminary Determination* in the *Federal Register*. In accordance with section 703(d) of the

Act, we issued instructions to CBP to discontinue the suspension of liquidation for CVD purposes for subject merchandise entered, or withdrawn from warehouse, on or after October 20, 2018, but to continue the suspension of liquidation of all entries from June 22, 2018, as the case may be, through October 19, 2018.

If the U.S. International Trade Commission (the ITC) issues a final affirmative injury determination, we will issue a CVD order and will reinstate the suspension of liquidation under section 706(a) of the Act and will require a cash deposit of estimated CVDs for such entries of subject merchandise in the amounts indicated above. If the ITC determines that material injury, or threat of material injury, does not exist, this proceeding will be terminated and all estimated duties deposited or securities posted as a result of the suspension of liquidation will be refunded or canceled.

#### International Trade Commission Notification

In accordance with section 705(d) of the Act, we will notify the U.S. International Trade Commission (ITC) of the final affirmative determination of countervailable subsidies. Because the final determination in this proceeding is affirmative, in accordance with section 705(b) of the Act, the ITC will make its final determination as to whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports of certain plastic ribbon from China no later than 45 days after our final determination. If the ITC determines that material injury or threat of material injury does not exist, the proceeding will be terminated and all cash deposits will be refunded. If the ITC determines that such injury does exist, Commerce will issue a CVD order directing CBP to assess, upon further instruction by Commerce, countervailing duties on all imports of the subject merchandise entered, or

withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation, as discussed above in the “Continuation of Suspension of Liquidation” section.

Notification Regarding Administrative Protective Orders

This notice will serve as a reminder to the parties subject to administrative protective order (APO) of their responsibility concerning the disposition of propriety information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a sanctionable violation.

Notification to Interested Parties

This determination is issued and published in accordance with sections 735(d) and 777(i)(1) of the Act and 19 CFR 351.210(c).

Dated: December 21, 2018

P. Lee Smith  
Deputy Assistant Secretary  
for Policy and Negotiations

## Appendix I

### Scope of the Investigation

The merchandise covered by this investigation is certain plastic decorative ribbon, having a width (measured at the narrowest span of the ribbon) of less than or equal to four (4) inches, but disregarding any features that measure 4 inches or less in width, such as tapering or cutting at the ends or in a bow knot, provided that aggregate length of such features comprises no more than 20% of the length of the ribbon. Subject merchandise includes but is not limited to ribbon wound onto itself; a spool, a core or a tube (with or without flanges); attached to a card or strip; wound into a keg- or egg-shaped configuration; made into bows, bow-like items, or other shapes or configurations; and whether or not packaged or labeled for retail sale. The subject merchandise is typically made of substrates of polypropylene, but may be made in whole or in part of any type of plastic, including without limitation, plastic derived from petroleum products and plastic derived from cellulose products. Unless the context otherwise clearly indicates, the word “ribbon” used in the singular includes the plural and the plural “ribbons” includes the singular.

The subject merchandise includes ribbons comprised of one or more layers of substrates made, in whole or in part, of plastics adhered to each other, regardless of the method used to adhere the layers together, including without limitation, ribbons comprised of layers of substrates adhered to each other through a lamination process. Subject merchandise also includes ribbons comprised of (a) one or more layers of substrates made, in whole or in part, of plastics adhered to (b) one or more layers of substrates made, in whole or in part, of non-plastic materials, including, without limitation, substrates made, in whole or in part, of fabric.

The ribbons subject to this investigation may be of any color or combination of colors (including without limitation, ribbons that are transparent, translucent or opaque) and may or may not bear words or images, including without limitation, those of a holiday motif. The subject merchandise includes ribbons with embellishments and/or treatments, including, without limitation, ribbons that are printed, hot-stamped, coated, laminated, flocked, crimped, die-cut, embossed (or that otherwise have impressed designs, images, words or patterns), and ribbons with holographic, metallic, glitter or iridescent finishes.

Subject merchandise includes “pull-bows” an assemblage of ribbons connected to one another, folded flat, and equipped with a means to form such ribbons into the shape of a bow by pulling on a length of material affixed to such assemblage, and “pre-notched” bows, an assemblage of notched ribbon loops arranged one inside the other with the notches in alignment and affixed to each other where notched, and which the end user forms into a bow by separating and spreading the loops circularly around the notches, which form the center of the bow. Subject merchandise includes ribbons that are packaged with non-subject merchandise, including ensembles that include ribbons and other products, such as gift wrap, gift bags, gift tags and/or other gift packaging products. The ribbons are covered by the scope of this investigation; the “other products” (*i.e.*, the other, non-subject merchandise included in the ensemble) are not covered by the scope of this investigation.



Excluded from the scope of this investigation are the following: (1) ribbons formed exclusively by weaving plastic threads together; (2) ribbons that have metal wire in, on, or along the entirety of each of the longitudinal edges of the ribbon; (3) ribbons with an adhesive coating covering the entire span between the longitudinal edges of the ribbon for the entire length of the ribbon; (4) ribbon formed into a bow without a tab or other means for attaching the bow to an object using adhesives, where the bow has: (a) an outer layer that is either flocked, made of fabric, or covered by any other decorative coating such as glitter (whether of plastic or non-plastic materials), and (b) a flexible metal wire at the base which permits attachment to an object by twist-tying; (5) elastic ribbons, meaning ribbons that elongate when stretched and return to their original dimension when the stretching load is removed; (6) ribbons affixed as a decorative detail to non-subject merchandise, such as a gift bag, gift box, gift tin, greeting card or plush toy, or affixed (including by tying) as a decorative detail to packaging containing non subject merchandise; (7) ribbons that are (a) affixed to non-subject merchandise as a working component of such non-subject merchandise, such as where the ribbon comprises a book marker, bag cinch, or part of an identity card holder, or (b) affixed (including by tying) to non-subject merchandise as a working component that holds or packages such non-subject merchandise or attaches packaging or labeling to such non-subject merchandise, such as a “belly band” around a pair of pajamas, a pair of socks or a blanket; (8) imitation raffia made of plastics having a thickness not more than one (1) mil when measured in an unfolded/untwisted state; (9) cords, *i.e.*, multiple strands of materials that have been braided, gimped or twisted together; and (10) ribbons in the form of bows having a diameter of less than seven-eighths (7/8) of an inch, or having a diameter of more than 16 inches, based on actual measurement. For purposes of this exclusion, the diameter of a bow is equal to the diameter of the smallest circular ring through which the bow will pass without compressing the bow.

The scope of the investigation excludes shredded plastic film or shredded plastic strip, in each case where the shred does not exceed 5 mm in width and does not exceed 18 inches in length.

The scope of the investigation excludes plastic garlands and plastic tinsel garlands, imported in lengths of not less than three (3) feet. The longitudinal base of these garlands may be made of wire or non-wire material, and these garlands may include plastic die-cut pieces. Also excluded are items made of plastic garland and/or plastic tinsel where the items do not have a tab or other means for attaching the item to an object using adhesives. This exclusion does not apply to plastic garland bows, plastic tinsel bows, or other bow-like products made of plastic garland or plastic tinsel.

The scope of the investigation excludes ribbons made exclusively of fabric formed by weaving or knitting threads together, or by matting, condensing or pressing fibers together to create felt fabric, regardless of thread or fiber composition, including without limitation, fabric ribbons of polyester, nylon, acrylic or terylene threads or fibers. This exclusion does not apply to plastic ribbons that are flocked.

The scope of the investigation excludes ribbons having a width of less than three (3) mm when incorporated by weaving into mesh material (whether flat or tubular) or fabric ribbon (meaning ribbon formed by weaving all or any of the following: man-made fibers, natural fibers, metal

threads and/or metalized yarns), in each case only where the mesh material or fabric ribbon is imported in the form of a decorative bow or a decorative bow-like item.

Further, excluded from the scope of the antidumping duty investigation are any products covered by the existing antidumping duty order on polyethylene terephthalate film, sheet, and strip (PET Film) from the People's Republic of China (China). *See Polyethylene Terephthalate Film, Sheet, and Strip from Brazil, the People's Republic of China and the United Arab Emirates: Antidumping Duty Orders and Amended Final Determination of Sales at Less Than Fair Value for the United Arab Emirates*, 73 FR 66595 (November 10, 2008).

Merchandise covered by this investigation is currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) under subheadings 3920.20.0015 and 3926.40.0010. Merchandise covered by this investigation also may enter under subheadings 3920.10.0000; 3920.20.0055; 3920.30.0000; 3920.43.5000; 3920.49.0000; 3920.62.0050; 3920.62.0090; 3920.69.0000; 3921.90.1100; 3921.90.1500; 3921.90.1910; 3921.90.1950; 3921.90.4010; 3921.90.4090; 3926.90.9996; 5404.90.0000; 9505.90.4000; 4601.99.9000; 4602.90.0000; 5609.00.3000; 5609.00.4000; and 6307.90.9889. These HTSUS subheadings are provided for convenience and customs purposes; the written description of the scope of this investigation is dispositive.

## **Appendix II**

### **List of Topics Discussed in the Issues and Decision Memorandum**

- I. Summary
- II. Background
- III. Period of Investigation
- IV. Scope Comments
- V. Scope of the Investigation
- VI. Subsidies Valuation
- VII. Use of Facts Otherwise Available and Adverse Inferences
- VIII. Analysis of Programs
- IX. Discussion of the Issues
  - Comment 1: Whether plastic garlands and plastic tinsel garlands should be excluded from the scope.
  - Comment 2: Whether Bows Made from Plastic Garland Should be Excluded from the Scope
  - Comment 3: Whether Easter Grass, Tinsel, and Decorative Packaging Shred Should be Excluded from the Scope
  - Comment 4: Whether Fabric Ribbon Should be Excluded from the Scope
  - Comment 5: Whether Cords Should be Excluded from the Scope
  - Comment 6: Clarification of the Exclusion for Ribbon Formed into a Bow with Non-Plastic Decorative Coatings
  - Comment 7: Clarification of the Exclusion for Ribbon Made of Both Plastic and Non-Plastic Strands
  - Comment 8: Clarification Regarding the Measurement of the Width of Ribbon
  - Comment 9: Whether Swirl Decorations Should be Excluded from the Scope
  - Comment 10: Whether Bows Made from Plastic Sheet Should be Excluded from the Scope
  - Comment 11: Whether Flocked and Unflocked Bows with Flexible Wire, Ribbon, String, or Other Type of Tie at the Base Should be Excluded from the Scope
  - Comment 12: Whether Commerce Should Impose Partial AFA for Seng San's Failure to Disclose a Predecessor Company
  - Comment 13: Whether Commerce Should Apply AFA to the Export Buyer's Credit Program
  - Comment 14: Whether Commerce's Chosen AFA Rate for the Export Buyer's Credit Program is Appropriate
  - Comment 15: Whether the Export Buyer's Credit Program Should be Considered an Export Subsidy
- X. Conclusion

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